



REPORT

of the

BOARD OF ARCHITECTS OF QUEENSLAND

1 July 2013 to 30 June 2014

Letter of compliance

The Honourable Tim Mander, MP
Minister for Housing and Public Works
Level 7, 80 George Street
BRISBANE QLD 4000

12 September 2014

Dear Minister

I am pleased to present the Board of Architects of Queensland Annual Report on the administration of the *Architects Act 2002* for the financial year ended 30 June 2014.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, and
- the detailed requirements set out in the *Annual Report Requirements for Queensland Government Agencies*.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S M Savage', written in a cursive style.

S M Savage
Chairperson

PART A

COMMUNICATION OBJECTIVE

This Annual Report provides information about the Board of Architects of Queensland's financial and non-financial performance for 2013/14.

This report has been prepared for the Minister to submit to Parliament. It has also been prepared to meet the needs of stakeholders including the commonwealth and local governments, industry and business associations, community groups, and also staff.

The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty understanding this annual report, you can contact us on (07) 3224 4482 and an interpreter will be arranged to effectively communicate the report to you.

The action taken during the reporting period complies with Section 23 and Schedule of the *Public Sector Ethics Act 1994*.

Further copies of this report are available by contacting the Board on (07) 3224 4482, or on the Board's website at www.boaq.qld.gov.au.

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PART B

FINANCIAL STATEMENTS

STATEMENT OF AFFAIRS

The Board of Architects of Queensland is a statutory authority constituted under the *Architects Act 2002* (the Act). The Act commenced operation on 1 January 2003 and superseded the *Architects Act 1985*. Amendments to the Act contained in the *Architects Amendment Act 2010* received assent and commenced on 21 April 2010.

The main objects of the Act are:

- a) to protect the public by ensuring architectural services of an architect are provided in a professional and competent way; and
- b) to maintain public confidence in the standard of services provided by architects; and
- c) to uphold the standards of practice of architects.

The main objects are primarily achieved by:

- a) providing for the registration of individuals as architects under this Act; and
- b) providing for the monitoring and enforcement of compliance with this Act; and
- c) imposing obligations on persons about the practice of architecture; and
- d) establishing the Board of Architects of Queensland.

The Board was first constituted under the *Architects Act 1928*. A review of the Act was undertaken and a new Act was brought into force in 1985. Subsequently, as a result of a “*Review of Legislation Regulating the Architectural Profession, Inquiry Report No. 13, 4 August 2000*” conducted by the Commonwealth Productivity Commission, a further review of the Act was undertaken by the Department of Public Works resulting in the *Architects Act 2002*.

Structure

The Board consists of a chairperson and six members. There is a Registrar of the Board who is responsible for managing the administrative affairs of the Board.

Functions and Powers

The *Architects Act 2002* as amended on 21 April 2010 empowers the Board to:

- assess applications made to it;
- register individuals who are eligible for registration and issue certificates of registration;
- conduct, or authorise, investigations about the professional conduct of architects and contraventions of the Act;
- keep the register;
- advise the Minister for Housing and Public Works about the operation of the Act in its application to the practice of architecture;
- arrange or approve examinations in the practice of architecture for the purpose of registration under this Act;
- advance education in architecture and professional standards of architects;
- perform other functions given to the Board under the *Architects Act 2002* or any other Act; and
- perform a function incidental to one of the above functions.

How Functions Affect the Community

The functions of the Board of Architects of Queensland affect the community in that no persons other than persons who hold the prescribed qualifications and competencies may attain registration and consequently use the title “architect” and hold themselves out to be architects or registered architects. Persons holding themselves out to the public to be offering architectural services using a practising architect must comply with the requirements of the Act for the protection of the public.

Arrangements for Public Participation

The *Architects Act 2002* provides procedures for the public to lay complaints against architects or persons holding themselves out to be architects who are not registered with the Board.

Public participation is sought in any review of the Act by the Board, prior to any recommendations being made to the Government.

Categories of Documents

The Board maintains the following categories of documents:

- personal registration files on natural persons;
- forms and information on businesses using the term “architect” or “registered architect”;
- register of architects;
- documents lodged in respect of complaints against architects;
- documents lodged in respect of allegations relating to offences committed under the Act; and
- general files.

All of the above documents are subject to the requirements of the *Public Records Act 2002* and the *Information Privacy Act 2009* copies of which may be accessed from www.legislation.qld.gov.au.

Access to Documents

Facilities for examining accessible documents and obtaining copies of those documents are available from the Board’s office at *The Mansions*, 40 George Street, Brisbane.

Right to Information Act 2009 (RTI) Procedures and Contact Point

The Registrar of the Board is the contact person for RTI matters and is available to assist applicants to submit an application to comply

with the Act. No applications were received during the year.

Applications should be addressed to:

Registrar
Board of Architects of Queensland
PO Box 15343
City East Qld 4002

or delivered in person to:

Registrar
Board of Architects of Queensland
The Mansions
40 George Street
Brisbane Qld 4000

Amendments to the Act

The *Architects Act 2002* was amended during the 2009 – 2010 financial year with the main objectives being to:

- introduce a simplified registration scheme which adopts procedures approved by the Architects Accreditation Council of Australia (AACA) and which have been adopted by architects’ registration boards in the Australian States and Territories;
- broaden the fitness to practise provisions in respect of health assessments of architects and the provision of criminal history reports by the Commissioner of Police;
- permit a registered architect to register as a non-practising architect in circumstances where they do not intend to practise; and
- introduce a range of miscellaneous amendments in relation to matters such as the powers of the Board in the registration process, restoration of registration, staffing of the Board, disciplinary and penalty provisions and disciplinary provisions relating to formerly registered architects.
- make Continuing Professional Development (CPD) a requirement of

continuing registration in respect of the process of renewal or restoration of registration.

Continuing Registration Requirements

A program for CPD compliance is currently being administered by the Board to comply with Continuing Registration Requirements. A random audit of practising architects commenced in September 2012.

Code of Practice

The Board's Code of Practice was approved under Regulation on 9 June 2005 and was last reviewed on 16 April 2014. It may be accessed from the Board's website:

www.boaq.qld.gov.au

Performance Agreement

The Board entered into an agreement with the Minister pursuant to section 99 of the Act, identifying the Board's strategic direction for the 2013/2014 financial year and the two following years.

MATTERS TO BE INCLUDED IN THE ANNUAL REPORT

Pursuant to section 107 of the Act the Board advises:

- (a) no ministerial direction was given to the Board under section 98(1) of the Act during the year;
- (b) the Board's activities during the year were consistent with its performance agreement; and
- (c) details in respect of disciplinary matters or offences under the Act may be found at page 9.

THE BOARD

The *Architects Act 2002* provides for a Board membership of seven. Six of those members are nominated by the Minister for Housing and Public Works. One is elected by practising architects.

The Members from 1 July 2013 to 30 June 2014 were:

Professor S Savage (Chairperson) (*academic representative from a prescribed school of architecture*)

Mr R Kirk (Deputy Chairperson) (*representative of Queensland Chapter of the Australian Institute of Architects*)

Ms T Dennis (*an architect who resides and undertakes architectural services in regional Queensland*)

Ms J Whitehead (*lawyer with at least 10 years experience in Building & Construction Industry*)

Mr P Bidwell (*person who is not an architect*)

Mr B Medek (*elected member*).

A vacancy exists for a person who has at least 10 years experience as a construction contractor in the building and construction industry.

This Board met 10 times during the period from 1 July 2013 to 30 June 2014. The number of meetings attended and total remuneration received by these members are as follows:

S Savage	10	\$2,030.00
J Whitehead	9	\$1,503.00
B Medek	8	\$1,336.00
T Dennis	9	\$1,503.00
R Kirk	7	\$1,169.00
P Bidwell	7	\$1,169.00

There has been no overseas travel undertaken by Board members on behalf of the Board during the year.

BUSINESS

The Business of the Board is managed by the Registrar, Mr Denis Bergin who is assisted by an Assistant Registrar and an Administration Officer.

FINANCE

The Board is a non-profit, self-funded Statutory Authority which operates in accordance with the *Architects Act 2002*.

The audited annual financial statements of the Board have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009*, relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

REGISTRATION

The Board considered 135 applications from individuals seeking registration as architects, all of which were approved. A further 43 individuals were restored following previous removal from the register.

The number of individuals registered as architects in Queensland at 30 June 2014 was 2673.

ARCHITECTURAL BUSINESSES

The approval of architectural companies ceased with the introduction of the *Architects Act 2002*.

On 1 July 2003, amendments to the Act commenced which allowed architectural companies to use the word “architect” or “architectural services” in their title or names without thereby offending against the Act if they provided to the Board an approved notice pursuant to the amendments. Further amendment to the Act in 2010 provided for all architectural businesses to use the notice.

Over 450 businesses have lodged relevant notices with the Board under the amendments. The notices disclose details of the businesses’ offices and architects responsible for the architectural services offered.

Amendments to the Act effective 21 April 2010 contain new provisions under section 141(A)

which had previously only related to companies but now have been expanded to include all businesses.

EXAMINATIONS

The Board conducts the Architectural Practice Examination (APE) on behalf of the Architects Accreditation Council of Australia (AACA). This examination currently qualifies candidates for registration pursuant to the *Architects Act 2002*.

The APE is a three part examination which provides an Australia wide, uniform format for registration of architects based on the AACA national competency standards. The second part of the APE, the national written examination paper, is prepared by the AACA and the same paper is sat at the same time and day in each State and Territory. The Board is responsible for the appointment of a State Convenor to represent the Board in the preparation and conduct of the APE. Mr Ian Hamilton was appointed to this position in August 2011.

In September 2013, 43 candidates applied for Parts 1 & 2 of the Architectural Practice Examination. 43 candidates sat the National Examination Paper (NEP) and 27 were successful. 38 candidates applied for the Part 3 oral examination of whom 27 were successful.

In April 2014, 52 candidates applied for admission to Parts 1 & 2 of the APE. 52 candidates sat the National Examination Paper (NEP) and 36 were successful. 46 candidates applied for the Part 3 oral examination of whom 33 were successful.

The Board records its appreciation to the University of Queensland, the Queensland University of Technology and members of the profession for their assistance in the conduct of these examinations.

BREACHES OF THE ACT

Complaints against Architects

Two matters were carried over from the previous financial year. Both complaints resulted in the Board deciding to undertake an investigation under section 42(1)(b) of the Act. The Board then decided to enter into an agreed undertaking with one of the architects pursuant to section 73(2)(b) of the Act. The other architect was cautioned pursuant to section 73(2)(c) of the Act.

A further eight complaints were received during the course of the year. The Board decided in six cases not to undertake an investigation on the basis that the complaints did not disclose any grounds upon which it was reasonably open to the Board to conclude that a ground for disciplinary action might be established against the architect. Two complaints against the same architect were subject to investigations which resulted in the Board entering into an undertaking with the architect pursuant to section 73(2)(b) of the Act.

Part 7 Offences under the Act

Part 7 of the *Architects Act 2002* creates various offences which the Board is responsible to enforce.

Part 7 of the *Architects Act 2002* makes it an offence for a person to use the term “architect” or “registered architect” or hold themselves out to be an architect unless registered pursuant to the Act. Only individuals may be registered. Part 7 sets out various requirements which a person must follow in order to offer architectural services to the public from a place.

The Board received eighteen complaints during the year concerning potential breaches of Part 7 of the Act by persons other than architects.

The Board decided to send warning letters to all parties identified in the complaints, advising of the provisions of Part 7 of the Act.

Complaints made under Part 7 of the Act are generally in respect of persons allegedly holding themselves out to be architects. To assist the public in understanding the role and responsibilities of an architect, the Board commissioned the preparation of a brochure to inform the public of the benefits of engaging an architect. The brochure has been widely distributed across the State, to members of the public and the profession.

REVIEW OF BOARD DECISIONS BY THE QUEENSLAND CIVIL AND ADMINISTRATIVE TRIBUNAL (QCAT)

No applications were made to the QCAT.

ACCREDITATION OF ARCHITECTURAL SCHOOLS

Only qualifications in architecture recognised by AACA or deemed equivalent by AACA meet the requirement for eligibility for registration under the Act.

The Board maintains a role in the accreditation of fully accredited courses of architecture offered by the University of Queensland and the Queensland University of Technology. During the year, representatives of the Board participated in State and National Visiting Panels.

Two new schools of architecture at Griffith and Bond Universities are progressing to full accreditation this financial year. Preliminary Assessments have been undertaken at both universities. National Visiting Panel Assessments are planned to occur at Griffith University in October 2014 and Bond University in April 2015.

BOARD STUDENT PRIZES

The awarding of prizes in recognition of students' academic achievement in the courses in architecture at the University of Queensland and the Queensland University of Technology has long been a tradition of the Board, this year being the 74th such occasion.

The recipients of this year's prizes are:

The University of Queensland
Tamarind Taylor
Queensland University of Technology
Nikki Seeto

ARCHITECTS ACCREDITATION COUNCIL OF AUSTRALIA (AACA)

The Architects Accreditation Council of Australia (AACA), consisting of representatives of all Australian Architects Registration Boards, provides a forum for the discussion of matters of common interest, particularly the various aspects of registration and architectural education.

AACA also provides the services of a national assessment panel in architecture which provisionally assesses the academic qualifications of overseas persons as to their equivalence with accepted Australian standards. State and Territory committees on behalf of AACA confirm these assessments by interview of candidates.

The Board continues to provide updated information to the AACA national listing of registered architects across all jurisdictions within Australia.

AACA meets annually and the Board's representation is maintained by the Chairperson and the Registrar. Current priorities of the AACA include a review of the National Competency Standards in Architecture.

Also, the AACA remains pro-actively committed to the national recognition of registered

architects. The Board of Directors of AACA supports the adoption of a proposed national registration model based upon modification of current mutual recognition arrangements.

The Board will continue to enter into dialogue with AACA and the other State and Territory Boards on the issue of national recognition of registration of architects. Harmonisation will continue across a broad range of practices and procedures affecting architectural jurisdictions.

GENERAL

The Board places on record its appreciation for assistance received from the officers of various Government Departments, AACA, other Statutory Authorities, and in particular the Department of Housing and Public Works.

Publication of the Annual Report

An electronic copy of the Annual Report is available on the Board's website at www.boaq.qld.gov.au

THE BOARD OF ARCHITECTS OF QUEENSLAND

FINANCIAL STATEMENTS

30 JUNE 2014

THE BOARD OF ARCHITECTS OF QUEENSLAND FINANCIAL STATEMENTS 2013-14

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Management Certificate

General Information

These financial statements cover the Board of Architects of Queensland.

The Board of Architects of Queensland is a Queensland Government Statutory Body established under the *Architects Act 2002*.

The head office and principal place of business of the Board is:

Level 1, The Mansions

40 George Street

Brisbane QLD 4000

A description of the nature of the Board's operations and its principal activities is included in the notes to the financial statements.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Income from Continuing Operations			
Fees and Other Receipts	2	513,702	531,836
Interest Revenue		15,418	16,945
Penalties and Costs		-	41,460
Other Revenue		656	2
Total Income from Continuing Operations		529,776	590,243
Expenses from Continuing Operations			
Employee Expenses	3	255,387	270,357
Administration Expenses	4	190,733	223,304
Examination Expenses		50,243	69,304
Board Member Expenses		24,840	33,468
Total Expenses from Continuing Operations		521,203	596,433
Operating Result from Continuing Operations		8,573	(6,191)
Other Comprehensive Income		-	-
Total Comprehensive Income		8,573	(6,191)

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

	Notes	2014 \$	2013 \$
Current Assets			
Cash and Cash Equivalents	5	591,360	584,970
Trade and Other Receivables	6	19,331	20,893
Prepayments	7	19,179	10,582
Total Current Assets		629,870	616,445
Non-Current Assets			
Property, Plant and Equipment	8	1,055	3,367
Total Non Current Assets		1,055	3,367
Total Assets		630,925	619,812
Current Liabilities			
Trade and Other Payables	9	52,742	62,041
Unearned Revenue		414,193	398,637
Accrued Employee Benefits		6,093	13,010
Total Current Liabilities		473,028	473,688
Non Current Liabilities			
Accrued Employee Benefits		32,200	29,000
Total Non Current Liabilities		32,200	29,000
Total Liabilities		505,228	502,688
NET ASSETS		125,228	117,124
EQUITY			
Accumulated Surplus		125,228	117,124
TOTAL EQUITY		125,228	117,124

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	\$
		Accumulated Surplus
Balance as at 1 July 2012		123,315
Operating Result from Continuing Operations		(6,191)
Balance as at 30 June 2013		<u>117,124</u>
Balance as at 1 July 2013		117,124
Operating Result from Continuing Operations		8,573
Balance as at 30 June 2014		<u>125,697</u>

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 \$	2013 \$
Cash Flows from Operating Activities			
<i>Inflows:</i>			
Fees and Other Receipts		541,272	547,226
Penalties and Costs		4,720	2,520
Interest Revenue		15,418	16,945
Receipts from ATO		8,915	9,244
GST Collected			44
 <i>Outflows:</i>			
Employee Expenses		(226,020)	(216,758)
Superannuation		(23,711)	(22,943)
Board Member Expenses		(25,215)	(27,360)
Examination Expenses		(49,652)	(69,554)
Administrative Expenses		(164,922)	(138,313)
Investigations/Hearings/Legal Expenses		(35,701)	(44,631)
Payments to ATO		(2,612)	-
GST Paid on Purchases		(36,101)	(34,373)
Net Cash from Operating Activities	10	6,390	22,044
 Cash Flows from Investing Activities			
<i>Outflows:</i>			
Acquisition of Assets		-	-
Net Cash from Investing Activities		-	-
Net Movement in Cash		6,390	22,044
Cash at the beginning of the financial year		584,970	562,926
Cash at the end of the financial year	5	591,360	584,970

The above financial statement should be read in conjunction with the accompanying notes.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

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THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

Objectives of the Board

The objectives of the Board of Architects of Queensland are to protect the public by ensuring architectural services of an architect are provided in a professional and competent way, to maintain public confidence in the standard of services provided by architects and to uphold the standards of practice of architects.

1. Summary of Significant Accounting Policies

(a) Statement of Compliance

The Board of Architects of Queensland has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ending 30 June 2014, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, The Board of Architects has applied those requirements applicable to not-for-profit entities, as the Board is not-for-profit Statutory Body. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

The financial report covers The Board of Architects of Queensland as an individual entity.

(c) Revenue Recognition

Revenue from renewal fees is recognised on an accrual basis.

Under *Architects Act 2002*, the registration period finishes at 30 June each year. Registrants who do not renew their registration are removed from the Board's register.

(d) Cash and Cash Equivalents

For financial reporting purposes, cash includes all cash at bank, on hand and deposits at call with financial institutions.

(e) Receivables

Receivables are recognised at the amounts due at the time of sale or service delivery. The collectability of receivables is assessed periodically with an allowance being made for impairment.

(f) Acquisition of Assets

Cost is used for the initial recording of all non-current physical asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(g) Property, Plant and Equipment

All items of plant and equipment with a cost or other value in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition.

Items with a lesser value are expensed in the year of acquisition.

(h) Depreciation of Property, Plant and Equipment

Property, plant and equipment have been recorded in the financial report at cost less accumulated depreciation. Depreciation on all property, plant and equipment has been calculated on a straight-line basis so as to allocate the cost of each asset progressively over its estimated useful life to the Board.

For each class of depreciable asset the following depreciation rates are used:

Class	Rate
Plant and Equipment	
- Computer Equipment	33%

(i) Taxation

The Board is a State Body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax. The Board's income from fees is exempt from Goods and Services Tax (GST) in accordance with Division 81 Written Determination. Input tax credits receivable and GST payable on income from sources other than fees from/to the Australian Tax Office are recognised.

(j) Trade and Other Payables

Trade creditors are recognised upon receipt of the goods and services ordered at the agreed purchase price. The amounts are non-interest bearing and are normally paid within the terms stated on the creditor's invoice.

(k) Employee Benefits

Employer superannuation contributions, annual leave and long service leave are regarded as employee benefits.

Payroll tax and worker's compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(k) Employee Benefits (continued)

Wages, Salaries and Sick Leave

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued.

This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation scheme for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The department's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-Government basis and reported in those financial statements prepared pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting.

Key Management Personnel and Remuneration

Key management personnel and remuneration disclosures are made in accordance with section 5 of the *Financial Reporting Requirements for Queensland Government Agencies* issued by Queensland Treasury and Trade. Refer to Note 3 for the disclosures on Executive Remuneration.

The Registrar is employed by the Board on a full-time basis. However, this position is paid by the Department of Housing and Public Works (therefore, all benefits are recognised in the Department of Housing and Public Works' financial statements), with all positions being reimbursed by the Board on a quarterly basis.

(l) Prepayments and Insurance

Professional Indemnity Insurance and Insurance for Directors and Officers is paid annually in advance in April each year. The pre-paid component is recorded as a current asset. Postage is also pre-paid and the credit remaining from postage unspent is recorded as a current asset.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(m) Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Board becomes party to the contractual provisions of the financial instrument.

Classification and subsequent measurement

Financial instruments are classified and measured as follows:

- Cash and cash equivalents – held at fair value through profit and loss
- Receivables – held at amortised cost
- Payables – held at amortised cost

The Board does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Board holds no financial assets classified at fair value through profit and loss.

(n) Rounding and Comparatives

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest dollar.

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(o) Going Concern

This financial report has been prepared on a going concern basis and the Board will be able to meet its debts as and when they fall due.

(p) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(q) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Summary of Significant Accounting Policies (continued)

(r) Critical Accounting Estimates and Judgements

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the entity.

(s) Unearned Revenue

Annual Renewal Fees received during April, May and June 2014 for the registration year commencing 1 July 2014 are recognised as Unearned Revenue in 2013-14.

(t) New and Revised Accounting Standards

The Board did not voluntarily change any of its accounting policies during 2013-14.

The Board applies Australian Accounting Standards and Interpretations in accordance with their respective commencement dates. At the date of authorisation of the financial statements, the new or amended Australian Accounting Standards applicable to the Board with future commencement dates are set out below.

· AASB 9 *Financial Instruments (December 2010)* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]

Due to the nature of the Board's activities, these standard changes will not have a significant impact on the Board of Architects of Queensland's financial statements.

All other Australian Accounting Standards and Interpretations with future commencement dates are not applicable to the Board's activities.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$	\$
2. Fees and Other Receipts		
Application Fees	24,830	29,593
Registration Fees	14,089	16,570
Restoration and Processing Fees	6,246	6,962
Renewal Fees	399,442	384,155
Examination Fees	69,095	94,555
Total	<u>513,702</u>	<u>531,836</u>
3. Employee Expenses		
Wages	127,683	130,688
Reimbursement of Registrar's Salary and Expenses	116,944	116,790
Superannuation	14,033	14,329
Long Service Leave	3,200	1,000
Other	(6,473)	7,550
Total	<u>255,387</u>	<u>270,357</u>

Executive Remuneration 1 July 2013 – 30 June 2014

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Registrar	79,450	-	3,385	12,496	-	95,420
Total Remuneration	79,450	-	3,385	12,496	-	95,420

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

3. Employee Expenses (continued)

Executive Remuneration 1 July 2012 – 30 June 2013

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$	Non-Monetary Benefits \$	\$	\$	\$	\$
Registrar	97,439	-	2,450	12,495	-	112,384
Total Remuneration	97,439	-	2,450	12,495	-	112,384

	2014	2013
Number of employees including both full-time employees and part-time employees measured on a full time equivalent basis	2	2
Number of Board members paid wages during the year:	6	7

The names of current Board members are:

Paul Bidwell
Bruce Medek

Tania Dennis
Susan Savage

Richard Kirk
Julie Whitehead

Key Management Personnel

The following details for key management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the department during 2013-14.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date appointed to position (Date resigned from position)
Denis Bergin	The Registrar is responsible for the management of the Board's Business	AO7 Public Service Act 1996	16 June 2006

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

4. Administrative Expenses

Accounting	5,450	1,974
Audit Fees	5,300	5,600
Advertising	2,522	2,684
	-	
Impairment Losses on Trade Receivables		32,800
Bank Charges	4,340	6,119
Accommodation Expenses	41,699	40,797
Archiving Fees	1,623	1,407
Depreciation	2,312	2,312
Telephone	2,597	2,545
Printing and Stationery	12,199	6,179
Postage and Couriers	4,734	3,425
Investigations, Hearings, Legals	30,080	48,775
Insurance	5,191	5,153
Legislation Workshops	1,928	1,779
Office Systems (includes computer maintenance)	38,065	20,786
Online Registration	10,944	17,052
	-	
Election Costs		3,951
Memberships (AACA)	21,747	19,745
	-	
Other		221
Total	190,733	223,304

2014
\$

2013
\$

5. Cash and Cash Equivalents

Cash at bank	33,959	60,569
Petty Cash	200	200
Franking Machine	644	(56)
QTC Investment Account	556,557	524,257
Total	591,360	584,970

6. Trade and Other Receivables

Trade Receivables	39,320	44,040
Allowance for Impairment	(35,350)	(35,350)
Net Receivables	3,970	8,690
GST Receivables	15,361	12,203
Total	19,331	20,893

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

7. Prepayments

Prepaid Insurance	4,204	4,292
Other Prepayments	14,975	6,289
Total	19,179	10,582

8. Property, Plant and Equipment

Computer Equipment	6,937	6,937
Accumulated Depreciation - Computer Equipment	(5,882)	(3,570)
Total	1,055	3,367
Total Property, Plant and Equipment	1,055	3,367

Movements Schedule

Computer Equipment

Carrying amount at 1 July	3,367	5,680
Acquisitions	-	-
Depreciation	(2,312)	(2,312)
Carrying amount at 30 June	1,055	3,367

9. Trade and Other Payables

Trade Creditors	30,731	44,654
Accrued Expenses	9,815	6,732
Other Payable	12,197	10,655
Total	52,742	62,041

10. Accrued Employee Benefits

Wages Outstanding	-	-
Annual Leave Levy Payable	6,092	13,010
Long Service Leave Levy Payable	32,220	29,000
Total	38,312	42,010

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

	2013	2013
	\$	\$
10. Reconciliation of Operating Result to Net Cash from Operating Activities		
Operating Result	8,573	(6,191)
Depreciation	2,312	2,312
Changes in Assets and Liabilities		
Decrease (increase) in Receivables	1,562	(5,211)
Decrease (increase) in Prepayments	(8,597)	8,479
Increase (decrease) in Payables	(15,976)	41,113
Increase (decrease) in Unearned Revenue	15,556	14,949
Increase (decrease) in Accruals	3,083	(38,968)
Increase (decrease) in Accrued Employee Benefits	(123)	5,561
Net cash from operating activities	<hr/> 6,390 <hr/>	<hr/> 22,044 <hr/>

11. Contingent Assets and Liabilities

Contingent Assets

As at 30 June 2014, there were no cases were filed in the courts naming The Board of Architects of Queensland as plaintiff

	2014	2013
	Number of Cases	Number of Cases
Supreme Court	-	-
Federal Court	-	-
Magistrates Court	-	-
Total	<hr/> - <hr/>	<hr/> - <hr/>

Contingent Liabilities

There are no contingent liabilities at balance date.

12. Events Occurring after Reporting Date

There are no events occurring after the balance date that materially affect the financial statements at 30 June 2014.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

13. Commitments for Expenditure

The Board had no capital commitments of a material nature at 30 June 2014.

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2014	2013
	\$	\$
Not later than one year	-	20,478
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	<u>-</u>	<u>20,478</u>

Currently The Board is leasing the business premises on a monthly basis, with rent payable monthly in advance.

14. Financial Risk Management

Categorisation of Financial Instruments

The Board's financial instruments consist mainly of deposits with financial institutions, receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Category	Note	2014	2013
		\$	\$
Financial assets			
Cash and cash equivalents	5	591,361	584,970
Receivables	6	19,331	20,893
Total		<u>610,692</u>	<u>605,863</u>
Financial liabilities			
Financial liabilities measured at amortised cost:			
Payables	9	<u>52,942</u>	<u>62,041</u>
Total		<u>52,942</u>	<u>62,041</u>

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

14. Financial Risk Management (continued)

Risk Management Strategy

The Board's overall risk management strategy is designed to meet its financial targets, whilst minimising potential effects on financial performance. Risk management policies are approved and reviewed by the Board on a regular basis. These include the credit risk policies and future cash flow requirements.

The Board did not have any derivative instruments at 30 June 2014.

Specific Financial Risk Exposures and Management

The main risks the Board is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Board. The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowances for impairment.

The following table represents the Board's maximum exposure to credit risk based on contractual amounts net of any allowances:

	2014	2013
	\$	\$
Maximum Exposure to Credit Risk		
Financial Assets		
Receivables	19,331	20,893
Total	<u>19,331</u>	<u>20,893</u>

No collateral is held as security and no credit enhancements relate to financial assets held by the Board.

The Board manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Board invests in secure assets, and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

Impairment loss expense on trade receivables for the current year is nil. This is a decrease of \$32,800 from 2013. There have been no court orders requiring repayment during the 2014 year.

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

14. Financial Risk Management (continued)

(a) Credit Risk (continued)

The Board has impaired all assets that are past due. Ageing of impaired financial assets is disclosed in the following tables:

Individually Impaired Financial Assets					
Overdue					
2014	Less than 30 days	30 days +	60 days +	90 days +	Total
	\$	\$	\$	\$	\$
Financial Assets					
Trade Receivables	-	-	-	39,320	39,320
Allowance for Impairment	-	-	-	(35,350)	(35,350)
	-	-	-	3,970	3,970

Individually Impaired Financial Assets					
Overdue					
2013	Less than 30 days	30 days +	60 days +	90 days +	Total
	\$	\$	\$	\$	\$
Financial Assets					
Trade Receivables	-	-	-	44,040	44,040
Allowance for Impairment	-	-	-	(35,350)	(35,350)
	-	-	-	8,690	8,690

Movements in the Allowance for Impairment

	2014	2013
	\$	\$
Balance at 1 July	35,350	2,550
Increase / (decrease) in allowance recognised in operating result	-	32,800
Balance at 30 June	35,350	35,350

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

14. Financial Risk Management (Continued)

(b) Liquidity risk

The Board manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Board has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

The following tables sets out the liquidity risk of financial liabilities held by the Board. It represents the contractual maturity of financial liabilities, calculated based on cash flows relating to the payment of the principal amount outstanding at balance date.

	2014	2013
	\$	\$
Financial liabilities		
Payables		
Less than 1 year	52,942	62,041
Total	<u>52,942</u>	<u>62,041</u>
Total financial liabilities		
Less than 1 year	52,942	62,041
Total	<u>52,942</u>	<u>62,041</u>

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

	2014	2013
	\$	\$
Cash and cash equivalents		
Less than 1 year	34,804	60,713
Total	<u>34,804</u>	<u>60,713</u>
Short-term investments		
Less than 1 year	556,557	524,257
Total	<u>556,557</u>	<u>524,257</u>
Total financial assets		
Less than 1 year	591,361	584,970
Total	<u>591,361</u>	<u>584,970</u>

THE BOARD OF ARCHITECTS OF QUEENSLAND

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

14. Financial Risk Management (Continued)

(c) Interest rate risk

Interest rate sensitivity analysis

The following interest rate sensitivity analysis is based on a report similar to that which would be provided to management, depicting the outcome to profit and loss if interest rates would change by +/-1% from the year-end rates applicable to the Board's financial assets and liabilities.

Exposure to interest rate risk arises on cash and cash equivalents recognised at reporting date whereby a future change in interest rates will affect future cash flows.

	2014	2013
	\$	\$
Financial instruments		
Cash and cash equivalents	34,804	60,713
Short-term investments	556,557	524,257
Interest rate risk:		
-1% - Profit	(5,914)	(5,850)
-1% - Equity	(5,914)	(5,850)
+1% - Profit	5,914	5,850
+1% - Equity	5,914	5,850

(d) Fair value

Cash, cash equivalents, receivables and payables are short-term in nature and their carrying value approximating their fair values so are not disclosed separately. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

CERTIFICATE OF THE BOARD OF ARCHITECTS OF QUEENSLAND

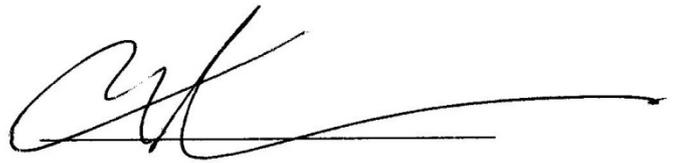
These general purpose financial statements have been prepared pursuant to section 62(1)(a) of the *Financial Accountability Act 2009* (the Act), sections 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements.

In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a) The prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b) The statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of The Board of Architects of Queensland for the financial year ended 30 June 2014 and of the financial position of the Board at the end of that year.
- c) These Assertions are based on an appropriate system of internal controls and risk management processes being effective in all material respects, with respect to financial reporting throughout the reporting period.



Professor Susan M Savage
Chairperson



Denis Bergin
Registrar

Dated this **20** day of **August**, 2014.

INDEPENDENT AUDITOR'S REPORT

To the Board of Board of Architects of Queensland

Report on the Financial Report

I have audited the accompanying financial report of Board of Architects of Queensland, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson and the Registrar.

The Board's Responsibility for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Board of Architects of Queensland for the financial year 1 July 2013 to 30 June 2014 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



D R ADAMS FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane